
Moving forward. Together.

Fallon Health Administrative Handbook



Updated July 2019





Let's move forward. Together.

Based in the heart of Massachusetts, Fallon Health is a health care services organization with a mission of *making our communities healthy*. And we take our mission very personally. After all, Massachusetts has been our home since 1977, and since then, we've been providing health care services to our families, friends and neighbors.

Through our relationships with physicians and hospitals in the communities we serve, we've ensured that our members receive the highest quality of care from those they trust. Consistently rated one of the nation's top health plans, Fallon offers customized, quality products and services to match the health care needs of groups and individuals alike. With our continued commitment to improve the health and wellness of all we serve, it's comforting to know that for whatever life brings, you can keep moving forward with Fallon Health.

Fallon Health. Moving forward. Together.





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Thank you for choosing Fallon Health

At Fallon Health, our mission is *making our communities healthy*—and that includes you and your employees. We also work hard to provide you with the information you need, in a simple and helpful way. This Administrative Handbook is designed to help you understand our policies and procedures, and to help get you started with Fallon. But, if at any time you have a question, we hope you will contact us. Our team is here for you. Below is a key contacts list, so you can be sure to speak with the right person for any situation.

This book is organized into sections with broad titles, like *Eligibility* and *Claims*. To help keep things simple, you will find that the first page of each section provides an overview, and some of the items that will be discussed in the section. We are always open to feedback, so please let us know how this book can become a more useful tool for you.

Please note that the most updated version of this Administrative Handbook can always be found on our website at fallonhealth.org/employers.

Key Contacts at Fallon:

Fallon Sales department

Contact Sales if you have questions about:

- Your benefits, plan structure, network
- Your group service agreement
- Fallon brochures, forms, etc.

Phone: 1-800-333-2535, prompt 2

Fax: 1-508-831-0912

email: employergroups@fallonhealth.org

Fallon Enrollment and Billing Operations

Contact Enrollment and Billing Operations if you have questions about:

- Enrolling employees
- Your premium invoice

Phone: 1-800-333-2535, prompt 3

Fax: 1-508-831-1136

email: FCHPBillingOps@fallonhealth.org or EnrollmentRequests@fallonhealth.org

Fallon Customer Service

If your employees have questions, they should call the Fallon Customer Service team. They can get answers to questions pertaining to:

- ID cards
- Choosing a PCP
- Benefits and cost-sharing
- Fallon extras, like It Fits! and Oh Baby!

Phone: 1-800-868-5200

TRS 711

Fax: 1-508-368-9966

email: contactcustomerservice@fallonhealth.org



What your employees will receive from Fallon Health

In this section, you will see what types of materials and outreach your employees will receive once they join Fallon.

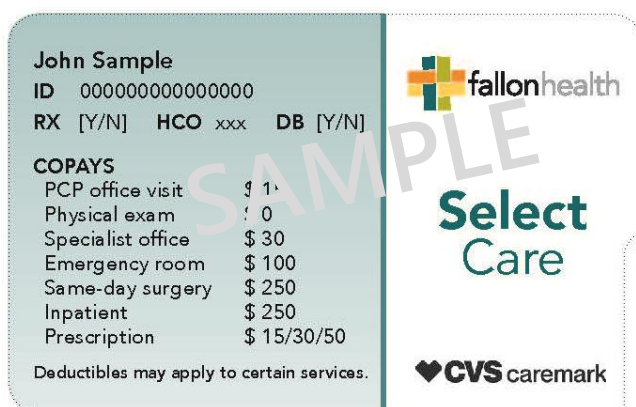
New subscriber plan materials

ID cards

New subscribers receive their membership ID card within 10 business days of Fallon's receipt of their enrollment information. The ID card contains the member's name and ID number, the name of the network plan they are enrolled in, as well as copayments for certain services and if a deductible may apply. Also, the customer service number, along with other important phone numbers like our Rx Mail Order line, are listed on the back of the card.

Information in this section includes:

1. What is included in each new subscriber mailing.
2. How Fallon reaches out to new members.
3. 1099 HC form.
4. Resources for you and your employees.



Member welcome guide

Shortly after they receive their ID card, new subscribers will get a booklet in the mail with important information about their plan.

This booklet includes a wealth of information, such as:

- A welcome letter with important details about their network
- Information about what's available on our website, fallonhealth.org
- Wellness programs that members can participate in
- How a deductible works (if applicable)
- How the prescription drug coverage works (if applicable)
- Our privacy policy
- Important forms, like the It Fits! reimbursement form



Primary Care Physician designation letter

If members are on an HMO plan and have not selected a Primary Care Physician (PCP) when enrolling, a letter will also be sent asking them to contact us to choose a PCP.

Welcome phone call

We want to make sure our new subscribers understand the plan they selected. To supplement the written communication they receive, we also proactively call new subscribers to welcome them and review their plan highlights. We educate them on deductibles (if applicable) and the importance of choosing a PCP. We also make sure they know about the great extras Fallon members have available to them.

1099 HC Form

Health care reform legislation requires Massachusetts state residents age 18 and over to have health care coverage. Residents whose coverage does not meet the state's minimum creditable coverage (MCC) standards, or who have a lapse in coverage greater than 63 consecutive calendar days, may be subject to a penalty for each month of noncompliant coverage during the year. Fallon subscribers over the age of 18 that have health insurance that meets MCC standards will be mailed a 1099-HC form from Fallon by January 31 of each year.

Healthy Communities health guide

Subscribers receive newsletters throughout the year with information on staying well and updates from Fallon.

Other resources for members—and for you!

At Fallon, we know how important it is that our members understand their coverage, and how to use it. That's why we are available to you and your employees when you need us:

- Our customer service team is available Monday, Tuesday, Thursday and Friday from 8:00 a.m. to 6:00 p.m., and Wednesday from 10 a.m. to 6 p.m.
- A Fallon representative can visit your location(s) and hold question and answer sessions with your employees. Simply contact your Account Manager, and they will work with you to schedule something at your convenience.
- **Go to fallonhealth.org/myfallon** to access online tools for Fallon members. You can check claims and update account information, set your communication preferences, view your benefits and plan documents, and much more!
- **Visit fallonhealth.org/employers** to find resources and tools you need to administer your insurance plan. You'll find benefit summaries, printable forms, online enrollment and secure file transfer tools, information about Fallon's benefits and wellness programs and the latest news about your plan.





Eligibility

There are certain requirements that must be met in order for people to be eligible to receive health insurance coverage through Fallon Health. This section explains these requirements.

Employer eligibility

An employer group is considered eligible unless none of the employees meet the definition of an eligible employee. For details about employee eligibility, please see the definition of subscriber eligibility later in this section.

Large group eligibility—any sole proprietorship, firm, corporation, partnership, or association actively engaged in business who employs more than 50 eligible employees.

Small group eligibility—Any sole proprietorship, firm, corporation, partnership, or association actively engaged in business who employs not more than 50 eligible employees.

The number of eligible employees in a group shall be counted according to Massachusetts Division of Insurance Bulletin 2016-09 (aggregating the number of full-time employees and full-time equivalents). For purposes of this count, an eligible employee includes any individual employed by an employer, including seasonal and temporary staff, but excluding business owners and those holding more than 2% of stock ownership. In determining the number of eligible employees, companies that are affiliated companies or are eligible to file a combined tax return for purposes of state taxation are considered to be one business. A business shall be considered to be one business or group if it is eligible to file a combined tax return for the purpose of state taxation or its companies are affiliated companies through the same corporate parent. All employers must have a business location in Massachusetts. Fallon is only licensed to sell in Massachusetts. To be considered within the service area, an account must maintain a street address within the designated service area. *A post office box will not be considered an address for purposes of determining location of the group.*

You must meet these criteria in order to be considered an employer group eligible to provide health insurance coverage.

Subscriber eligibility

In order to be eligible to receive health insurance coverage, an employee must:

- Live or work in the appropriate Fallon service area,
- Be on your group's regular payroll and
- Have appropriate payroll deductions made.

The number of hours an employee works each week also affects whether or not she or he is eligible to receive health insurance coverage. A subscriber is eligible for coverage under the following circumstances:

- If employed on a full-time basis with a normal work week of 30 or more hours.
- If employed on a part-time basis, with a normal work week of at least 20 hours, as long as the employer premium contribution is at least 50% of the premium for individual coverage/33% of the premium for family coverage.

Information in this section includes:

1. What makes an employer eligible to provide health insurance through Fallon.
2. What makes a subscriber eligible to join Fallon.
3. What makes a dependent eligible to receive coverage through a Fallon subscriber.
4. Rules and laws about young adult and disabled dependents.
5. Fraud – how to recognize it and what you can do to eliminate it.



- If formerly employed by the employer, and meets qualifications for continued group coverage (COBRA) under federal or state law. For more information about COBRA, please see Section V.

A temporary or seasonal employee as defined below is not eligible for coverage, unless the employer is mandated to offer coverage to that employee under federal Employer Shared Responsibility requirements, or as otherwise agreed to by Fallon:

- **A temporary employee** is one who works for the employer on either a full-time or part-time basis, and whose employment is explicitly temporary in nature, not exceeding 12 consecutive weeks during the period from October 1 through September 30.
- **A seasonal employee:**
 - Is hired to perform services for wages by a seasonal employer under M.G.L. Chapter 151A during the seasonal period in the employer's seasonal operations for a specific temporary seasonal period,
 - Has been notified by the Division of Unemployment Assistance that she or he is performing services in a seasonal employment for a seasonal employer, and
 - Whose employment is limited to the beginning and ending dates of the employer's seasonal period, which does not exceed 16 weeks.

Additional eligibility guidance for employers with 51+ eligible employees

Special eligibility status can be requested by submitting a completed Large Group Special Eligibility Attestation form. (See image below). To verify standard eligibility status, one or more of the following items will be required as part of the form submission:

1. Employer payroll records
2. WR-1 filing with state
3. Workers compensation insurance policy and/or bill
4. Unemployment insurance documentation
5. Employee W-2
6. Definable job description with estimated hours worked and defined place of work

Other categories of non-employees may also be enrolled as eligible subscribers with the written approval of the Fallon Underwriting department. You can find this form by going to fallonhealth.org/brokers and clicking on Forms.

Fallon Health ACA group size attestation form

Group name: _____

Group number: _____ Group renewal date: _____

Full-time employees: _____ + Full-time equivalent (FTE) employees: _____ = Total: _____

Number of Fallon Health benefit-eligible employees: _____

In Massachusetts, there have traditionally been different rating rules for small groups and large groups. Small groups have been defined as groups with between 1 and 50 employees, while large groups have been defined as groups with 51 or more full-time employees. While that remains true, for 2016 and subsequent years the ACA has prompted a change in how the number of employees in a group is counted for purposes of classifying a group as a small group or a large group. In the past, this was based on the number of "eligible employees", just those employees working 30 hours or more. For 2016 and subsequent years, this will be based on a "full-time employees plus full-time equivalents" (FTE) count that takes into account all employees, not just those working 30 hours or more.

The FTE calculation to be used for 2016 and subsequent years is the same one used for the ACA's Employer Shared Responsibility requirement. The calculation involves counting how many actual full-time employees a group has, aggregating the hours of other employees to create full-time equivalents, then adding the two together. The final sum is the number used to determine whether a group is a large group or a small group. You can use the following link to find out more about the FTE calculation and determine how to perform this calculation for your group: healthcare.gov/shop-calculators-fte. On the third line above, please enter your company's number of full-time employees, plus full-time equivalent employees and the total for both. These numbers should reflect your average workforce size at time of proposed effective date.

Under the ACA Employer Shared Responsibility requirement, full-time employees are generally individuals who worked on average more than 30 hours a week for more than 120 days a year, or who are expected to work those hours. Part-time employees are generally individuals who worked, on average, less than 30 hours per week. Those employees who meet the "full-time" definition are benefit-eligible. Note: while part-time employees are taken into account in determining whether a group is a small group or a large group, Employer Shared Responsibility only requires employers to offer coverage to full-time employees.

On the fourth line above, please enter your company's number of full-time benefit-eligible employees who are offered coverage through Fallon Health. Do not include employees who are not offered coverage through Fallon Health, for example, because they do not live or work in the service area of any Fallon Health plan that you offer. Fallon Health is collecting this data for informational purposes. It will not affect whether your company is classified as a small group or a large group.

By completing this form, the Group hereby attests to the following (check only one):

☐ It is a large group (51 or more full-time/FTE employees) ☐ It is a small group (1-50 full-time/FTE employees)


The Group further attests that it:

- Calculated the number of Fallon Health benefit-eligible employees using the guidelines found in the Employer Shared Responsibility regulations.
- Accurately reported this number of Fallon Health benefit-eligible employees to Fallon Health for purposes of underwriting insurance coverage for the Group.
- Understands that Fallon Health is relying on disclosure of this information for accuracy and proper classification as a large or small group.
- Understands that it must comply with the ACA and other laws to the extent applicable.

Please return this form to:
Fallon Health | Attn: Consumer Sales Department | 10 Chestnut Street | Worcester, MA 01615

Authorized employer representative (please print): _____

Title (please print): _____ Date: _____



*Sample Fallon Health Group-Size
Attestation Form*



Dependent eligibility

Subscribers are able to receive health insurance for those dependents that fall into the following categories:

- Legal spouse of the subscriber
- The former spouse of the subscriber, until either the subscriber or the former spouse remarries, or until the divorce judgment between them no longer requires the subscriber to provide health coverage to the former spouse. If the subscriber remarries and wishes to add his or her new spouse to the family coverage, the former spouse remains eligible for coverage under the subscriber's group. However, the former spouse must move from family coverage to individual coverage and additional premium will be required; the former spouse only remains eligible under the group if the divorce judgment provides for such coverage. If the former spouse remarries, the former spouse's eligibility ends.
- A child of the subscriber—or spouse of the subscriber—until the child's 26th birthday (for more, please see the paragraph below entitled *Young adult dependent coverage*)
- A disabled dependent (for more, please see the paragraph below entitled *Disabled dependent coverage*)

Young adult dependent coverage

One of the provisions of national health care reform is the extension of coverage to dependent children up to the end of the month within which they turn age 26. If the dependent child is under age 26, he or she may remain with Fallon under a family contract until the end of the month within which he or she turns age 26. However, some employers may have different eligibility guidelines. Check your company's arrangement with Fallon for group eligibility.

Disabled dependent coverage

Fallon allows coverage for disabled dependents incapable of self-support due to a physical or mental handicap, provided that primary financial responsibility is assumed by the subscriber, subscriber's spouse or former spouse, and that that person has continuously established dependent coverage for the disabled individual under a prior carrier. Fallon will forward a letter to the subscriber describing the documentation that is required for the review process, and a copy of the letter will be forwarded to the employer. Each case is individually reviewed and the subscriber will be notified in writing of the decision, with a copy of that notification forwarded to the employer. Disabled dependents turning age 26 must undergo this same review process. Disabled dependents are subject to periodic review of continued eligibility, unless the dependent's condition is considered to be chronic or lifelong. The Fallon Care Services Department makes this determination with input from the dependent's doctor(s). Contact your Account Manager at 1-800-333-2535 for more information.





Reporting fraud

Fraud impacts everyone, and has a significant and negative impact on the premiums you pay. According to the National Health Care Anti-Fraud Association, it is estimated that \$68 billion annually is lost to fraud in the United States health care system.

Combating fraud is essential to maintaining strong and affordable care. Fraud can be defined as an intentional misrepresentation that causes a victim to part with something of value, and is considered a criminal act. Examples of health insurance fraud include, but are not limited to:

- Intentionally adding or keeping an individual and/or dependents on a health plan who do not meet the specified eligibility criteria as described in this section.
- Keeping a policy in force for a group that no longer meets the criteria of an employer group, so as to benefit from lower group premium rates.

Fallon is committed to detecting, investigating and resolving instances of error and fraud, and reserves the right to audit payroll records of its insured employer groups for the purpose of determining eligibility of the group's members enrolled on the plan. Those determined to have committed fraud could be subject to policy cancellation, recovery of claims paid on their behalf, and/or prosecution by law enforcement.

If you suspect fraud, please be sure to report the activity to your Account Manager. Or, if you wish to remain anonymous, you may use our toll-free Compliance Hotline at 1-888-203-5295.



Enrollment and other transactions

In this section, you will find information about when and how you can add, remove, or change the coverage status of your employees.

Enrollment and Billing Operations

This department is responsible for:

- Processing all adjustments to your group membership
- Issuing membership cards
- Verifying subscriber and dependent eligibility
- Answering questions regarding eligibility
- Performing membership audits

You can speak with a representative of this department by calling the number listed in the Introduction section of this book.

Using the Member Transaction Form

Commonly referred to as an enrollment form, the Member Transaction Form is used for a number of purposes, including enrollments, disenrollments and changes to a subscriber's contract. The Member Transaction Form can be used for members of any of our commercial products:

Direct Care (HMO) – limited network custom-built around some of the State's premier physician groups—over 37,000 providers. Offers more Coordinated, cost-efficient care.

Select Care (HMO) – gives you access to an extensive network of doctors and community-based hospitals—over 59,000 providers—throughout Massachusetts, southern New Hampshire and southwestern Vermont.

Fallon Preferred Care (PPO) – access to a network of providers and health care facilities in Massachusetts and nationwide. Over 1,000,000 providers and more than 4,700 facilities through the Private Healthcare Systems (PHCS)/MultiPlan and Fallon Preferred Care networks.

Steward Community Care (HMO) – limited network built in partnership by Fallon and Steward Health Care system. Available throughout eastern Massachusetts and includes all Steward Health Care System community doctors and hospitals – over 29,000 providers.

The Member Transaction Form must be filled in completely, signed by both the employer and the employee, and returned to Fallon for any change being made to a subscriber's contract with one exception: if you are using Fallon's online enrollment tool, hard copies of the Member Transaction Forms are not required. This form can be faxed, or scanned and emailed to the Fallon Enrollment team.

To see what the Member Transaction Form looks like, please see the images on the following pages.

Information in this section includes:

1. The responsibilities of the Fallon Enrollment and Billing Operations Department.
2. What is a Member Transaction Form, and how it is used.
3. How you can make changes during annual open enrollment, and off-anniversary, and what kind of changes you can make.
4. When you can add/remove employees or dependents to/from your group contract.
5. What coverage is available for an employee after termination.
6. What changes can be made under HIPAA special enrollment rules.





How to complete the Member Transaction Form

This is an example and explanation of how to complete the Member Transaction Form. It can be used to add, change, or terminate an employee's coverage. For fast and accurate enrollment processing, please use black or blue ink, and write letters and digits as shown:

A B C D E F G H I J K L M N O P Q R S T U V W X Y Z
0 1 2 3 4 5 6 7 8 9

The **EMPLOYER** should fill in this section:

Fill in your company's medical group number and your company's name.

Enter the requested effective date of coverage.

Member Transaction Form



Fallon Health
Fallon Health & Life Assurance Co., Inc.

THE FOLLOWING SECTION IS TO BE FILLED OUT BY THE EMPLOYER:

Group number

Group name

Effective date: (MM/DD/YYYY)

Please check off the reason you are filling out this form:

Adding coverage: ☐ New hire ☐ Annual open enrollment ☐ Other (Please explain in the Remarks section below.)

Ending coverage:

- ☐ Termination of employment ☐ Change to other insurance (Please provide the name of the other insurance in the Remarks section below.)
☐ Other (Please explain in the Remarks section below.)

Changes to existing coverage: (Please choose an option and explain in the Remarks section below.)

Change to: ☐ Individual plan ☐ Family plan ☐ COBRA ☐ Other

☐ Addition of a dependent (Please complete the dependent section of this form.) Date of qualifying event:[†] _____

☐ Removal of a dependent ☐ Proof of qualifying event documentation included

☐ Change in name, address or other application information ☐ Other

Remarks:

This form is not complete without an authorized employer signature on page 2.

Indicate whether you're adding, ending or changing coverage.

Add any relevant information in the Remarks section.



The *EMPLOYEE* should complete the following:

Indicate the provider network you want and the name of the plan.

THE FOLLOWING SECTIONS ARE TO BE FILLED OUT BY THE EMPLOYEE (subscriber):

Please complete all applicable fields in this section.

Provider network: ☐ Direct Care* ☐ Select Care ☐ Fallon Preferred Care ☐ Steward Community Care*

Plan name: _____

Fill out the information below (name, address, date of birth, phone, SSN, work status, etc.) as it applies to you, the subscriber of the health plan.

First name		Middle initial (MI)	Last name		Gender <input type="checkbox"/> Male <input type="checkbox"/> Female
Maiden name		Primary language		Birth date (MM/DD/YYYY)	
Street address					
City			State	ZIP code	
Mailing address (if different from street above)					
City			State	ZIP code	
Would you be interested in receiving communications from Fallon via email? If so, please check the box and provide your email address: <input type="checkbox"/>				Home phone	
				Mobile phone	
Social Security number**		Date hired (MM/DD/YYYY)		Work phone	
Race (please choose one) <input type="checkbox"/> White <input type="checkbox"/> Black <input type="checkbox"/> Hispanic <input type="checkbox"/> Asian/Pacific Islander <input type="checkbox"/> American Indian/Alaskan Native <input type="checkbox"/> Other					
Work status (please choose one) <input type="checkbox"/> Full time <input type="checkbox"/> Part time <input type="checkbox"/> Retired <input type="checkbox"/> COBRA					
Average # of hours worked weekly		Department #		Employee #	
Does your spouse have health insurance from another source? <input type="checkbox"/> Yes <input type="checkbox"/> No					
Please provide the name of your selected primary care provider (PCP). Is this your current PCP? <input type="checkbox"/> Yes <input type="checkbox"/> No					
First name		MI	Last name		

* Documentation required for qualifying event.

Benefits administrator: Please mail the white and yellow copies of this form to: Fallon Health Enrollment Operations, 10 Chestnut St., Worcester, MA 01608. The pink copy is for the employee. Or email form to: EnrollmentRequests@fallonhealth.org Or fax form to: 1-508-831-1136.



The *EMPLOYEE* should complete the following:

If you have family or other coverage with dependents, you should fill out this section completely for each child or eligible dependent to be covered.

DEPENDENT SECTION:

In this section, please list all dependents covered under this plan. If you need more room, please use an additional Member Transaction Form.

Dependent 1:	First name	MI	Last name (include maiden name if applicable)	Gender	<input type="checkbox"/> Male <input type="checkbox"/> Female
Relation to you			Social Security number**		
Primary language		Race	Birth date (MM/DD/YYYY)		
Street address (if different from subscriber's)					
Please provide the name of this dependent's primary care provider (PCP). Is this the dependent's current PCP? <input type="checkbox"/> Yes <input type="checkbox"/> No					
First name		MI	Last name		
Dependent 2:	First name	MI	Last name (include maiden name if applicable)	Gender	<input type="checkbox"/> Male <input type="checkbox"/> Female
Relation to you			Social Security number**		
Primary language		Race	Birth date (MM/DD/YYYY)		
Street address (if different from subscriber's)					
Please provide the name of this dependent's primary care provider (PCP). Is this the dependent's current PCP? <input type="checkbox"/> Yes <input type="checkbox"/> No					
First name		MI	Last name		
Dependent 3:	First name	MI	Last name (include maiden name if applicable)	Gender	<input type="checkbox"/> Male <input type="checkbox"/> Female
Relation to you			Social Security number**		
Primary language		Race	Birth date (MM/DD/YYYY)		
Street address (if different from subscriber's)					
Please provide the name of this dependent's primary care provider (PCP). Is this the dependent's current PCP? <input type="checkbox"/> Yes <input type="checkbox"/> No					
First name		MI	Last name		
Dependent 4:	First name	MI	Last name (include maiden name if applicable)	Gender	<input type="checkbox"/> Male <input type="checkbox"/> Female
Relation to you			Social Security number**		
Primary language		Race	Birth date (MM/DD/YYYY)		
Street address (if different from subscriber's)					
Please provide the name of this dependent's primary care provider (PCP). Is this the dependent's current PCP? <input type="checkbox"/> Yes <input type="checkbox"/> No					
First name		MI	Last name		
Dependent 5:	First name	MI	Last name (include maiden name if applicable)	Gender	<input type="checkbox"/> Male <input type="checkbox"/> Female
Relation to you			Social Security number**		
Primary language		Race	Birth date (MM/DD/YYYY)		
Street address (if different from subscriber's)					
Please provide the name of this dependent's primary care provider (PCP). Is this the dependent's current PCP? <input type="checkbox"/> Yes <input type="checkbox"/> No					
First name		MI	Last name		



The *EMPLOYEE* and *EMPLOYER* need to sign:

The employer and employee (subscriber) have to sign and date or Fallon cannot process the enrollment.

I understand that my signature below means that I have read and I understand the contents of this form, and that I agree to the terms and conditions located on the back of this form.

X _____
Employee signature (REQUIRED) Print name here Date

X _____
Employer signature (REQUIRED) Print name here Date

Group name (please print) _____

* Direct Care and Steward Community Care provide access to networks that are smaller than the Select Care network. In these plans, members have access to network benefits only from the providers in their respective network. Please consult the respective provider directory—paper copies can be requested by calling our Customer Service Department at 1-800-868-5200—or visit the provider search tool at fallonhealth.org to determine which providers are included in Direct Care and Steward Community Care.

**Required for tax purposes



Annual open enrollment

During annual open enrollment, any eligible employee can make the following types of changes to their coverage:

- An employee who has no prior health insurance through your company (e.g., the employee did not pick up coverage at the time of hire) may enroll in Fallon.
- An employee may change from another insurance carrier to Fallon.
- An employee may update his or her existing policy to add or remove family members from coverage.
- An employee may change his or her product (if applicable).

In order to guarantee that all of your employees' annual open enrollment changes are made, Fallon must receive all Member Transaction Forms within 30 calendar days of your group anniversary date. Additionally, once a subscriber has made their product selection, she or he can only make a change to their product choice within 30 days of the effective date; otherwise they would need to wait until the next annual open enrollment period.

Adding a new hire to your group contract

In order to add a new hire to your group contract for coverage, the employee must fulfill the eligibility requirements outlined in Section V of this booklet. Fallon's Enrollment and Billing Operations Department will need to receive the completed Member Transaction Form within 30 days of the employee's eligibility date. The eligibility date is determined by the date of hire, and your company's waiting period policy. Please note: once an election has been made, the employee may not make a change to their product choice until the next annual open enrollment period.

Waiting period policy

Some companies have instituted a waiting period policy for benefit eligibility. If your company has such a policy, it must be on file in writing with Fallon. Please note that under the Affordable Care Act, waiting periods over 90 days are generally not allowed. If your company does not have a waiting period policy, Fallon recognizes the date of hire as the employee's benefit effective date.

New hire example 1: Company ABC hires Sally. Her first day of work is April 1. Fallon received Sally's Member Transaction Form on March 3, which is within 30 days of Sally's hire date, and Company ABC does not have a waiting period policy. Sally's Fallon coverage will begin on April 1.

New hire example 2: Company XYZ hires Bob. Bob's first day of work is April 1. Company XYZ has a waiting period policy of 30 days. Fallon received Bob's Member Transaction Form on April 10, which is within 30 days of the effective date. Bob's Fallon coverage will begin on May 1.

Making off-anniversary coverage changes

There are a number of changes that can be made outside of the annual open enrollment period. Some changes relate to dependent coverage, and others relate to contract coverage. As with annual open enrollment period and new hire transactions, off-anniversary coverage transactions are only available to eligible subscribers and dependents based on our eligibility requirements explained in Section III. Additionally, subscribers cannot make any changes to their product choice until the next annual open enrollment period.



Adding dependents

Fallon will process an employee's dependent coverage changes outside of the annual open enrollment period in the following circumstances:

1. Adding a spouse

An employee may change from an individual contract to a family contract to add a spouse of the same or opposite sex as of the date of marriage, as long as the Member Transaction Form is received by Fallon within 30 days of the date of marriage. The date of the marriage must be noted on the Member Transaction Form, and both the employee and the employer must sign the form. Other dependents can also be added at this time.

2. Adding a child

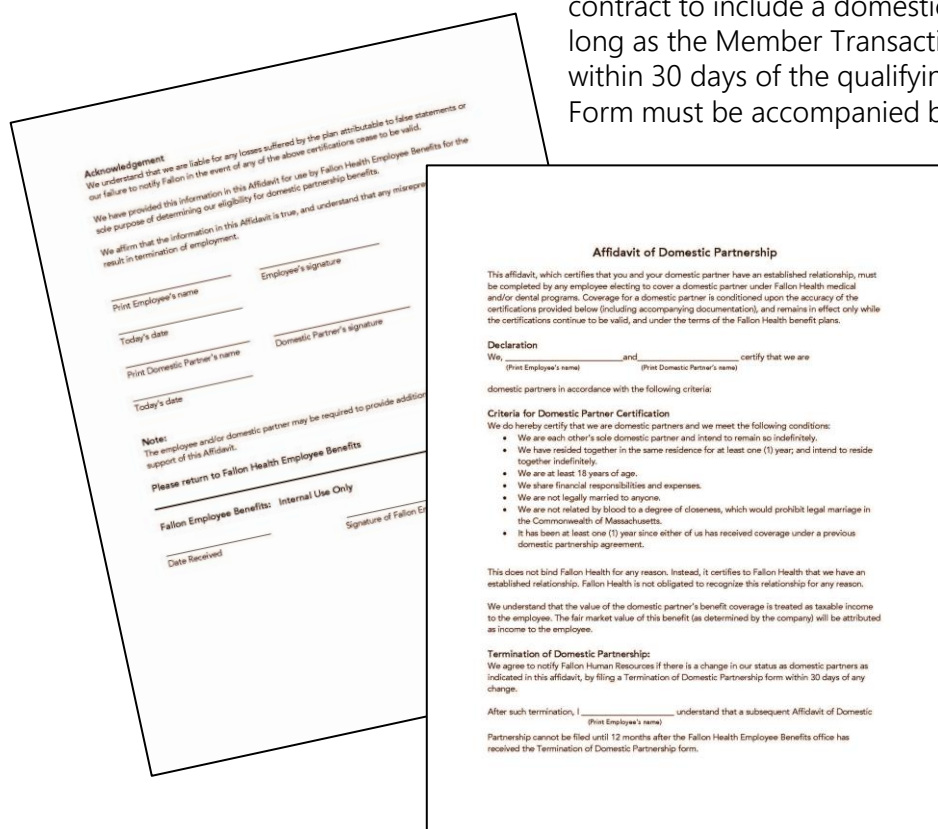
An employee may change his or her contract to include a newborn child within 30 days of the birth, or a child of any age within 30 days of the adoption, as long as the Member Transaction Form is received by Fallon within 30 days of either event. The date of the birth or adoption must be noted on the Member Transaction Form, and both the employee and the employer must sign the form. Other dependents, including a spouse, can also be added at this time.

3. Adding a domestic partner

Eligible employers may offer domestic partner coverage for same-sex or opposite-sex domestic partners. As the employer, you would be responsible for maintaining all affidavit records for auditing as necessary. Domestic partner coverage is offered to large groups (groups with 51+ eligible employees) only if the other insurance carriers for the same group are offering it. Domestic partner coverage is offered to all small groups (groups with 1-50 eligible employees). If these requirements are met, an employee may change his or her

contract to include a domestic partner for a qualifying event, as long as the Member Transaction Form is received by Fallon within 30 days of the qualifying event. The Member Transaction Form must be accompanied by a completed attestation form

which can be found at fallonhealth.org (see a sample to the left). Both the employee and the employer must sign the form.



The image shows a sample "Affidavit of Domestic Partnership" form. The form is divided into several sections. At the top, there is an "Acknowledgement" section where the employee and employer certify that the information provided is true and correct. Below this is a "Declaration" section where the employee and domestic partner certify that they are domestic partners in accordance with the following criteria: they are each other's sole domestic partner and intend to remain so indefinitely; they have resided together in the same residence for at least one (1) year; and they intend to reside together indefinitely. The form also includes a "Criteria for Domestic Partner Certification" section with a list of conditions: they are at least 18 years of age; they share financial responsibilities and expenses; they are not legally married to anyone; they are not related by blood to a degree of closeness, which would prohibit legal marriage in the Commonwealth of Massachusetts; and it has been at least one (1) year since either of us has received coverage under a previous domestic partnership agreement. The form also includes a "Termination of Domestic Partnership" section where the employee and employer agree to notify Fallon Human Resources if there is a change in their status as domestic partners as indicated in this affidavit, by filing a Termination of Domestic Partnership form within 30 days of any change. The form also includes a "Signature of Fallon Employee" section where the employee and employer sign the form. The form is titled "Affidavit of Domestic Partnership" and includes a "Date Received" field.

*Sample Affidavit of
Domestic Partnership form*



4. Adding a spouse or dependent due to loss of coverage

An employee may change from an individual contract to a family contract to add a spouse or dependent that *involuntarily* loses coverage through another source, as long as the Member Transaction Form is received by Fallon within 30 days of the loss of coverage. Please note that voluntary cancellation of coverage does not qualify for this type of off-anniversary change. A termination letter from the other insurance company must be included with the Member Transaction Form, and must include the following:

- The old policy number
- The effective date of the policy
- The date of the termination of coverage
- The reason for termination
- A list of those who were covered under the policy

As long as these requirements are met, and the Member Transaction Form is signed by both the employee and the employer, the effective date of coverage will be the date the other insurance was lost.

Removing employees and/or dependents

To remove employees and/or dependents from your group, a Member Transaction Form must be completed—with the appropriate removal reason checked off—and received by Fallon within 30 days of the requested removal date. The employer must sign the Member Transaction Form.

If your company chooses to extend coverage past the date of termination of employment for any reason, the date to which you want coverage extended should be indicated as the requested effective date on the Member Transaction Form. The termination of coverage is effective at midnight on the last day of coverage (For example, if the requested effective date is September 1, coverage will end at midnight on August 31). Please see page 21 within this section for more information about continuation of coverage after termination.

Adding an employee due to loss of coverage

An eligible employee who loses coverage through another source (i.e. end of COBRA continuation, divorce) may be added to your company's group coverage. The same requirements needed when adding a dependent due to loss of coverage also apply when adding an employee:

A termination letter from the other insurance company or previous employer must be included with the Member Transaction Form, and must include the following:

- The date of the termination of coverage
- The reason for termination
- A list of those who were covered under the policy

As long as these requirements are met, and the Member Transaction Form is signed by both the employee and the employer, the effective date of coverage will be the date the other insurance was lost. The Member Transaction Form must be received within 30 days.



Other off-anniversary coverage changes

1. An eligible employee, spouse or spousal equivalent may make a change in coverage if there has been a significant change in contributions or premium rates. This change in coverage can be made only if the subscriber and family member are both covered by Fallon and the request is made within 30 days of the requested effective date. For example, let's say that Mr. Smith is covered under Fallon with ABC Company and his wife Mrs. Smith is covered under Fallon with XYZ Company. The ABC Company makes a significant change to the contribution that Mr. Smith must pay for coverage. Mr. Smith can then switch to the coverage provided by Mrs. Smith with XYZ Company. They will then both be covered under one policy through XYZ Company.
2. An existing employee may be added to your group coverage if newly located in the Fallon service area. If the existing employee transfers employment to a location within the Fallon service area, or if the employee takes up residence in the Fallon service area, the employee may be treated as a new hire and offered Fallon HMO coverage. Fallon must receive the Member Transaction Form within 30 days of the requested effective date, and it must be signed by both the employee and the employer.
3. An employee may switch from a family contract to two individual contracts if:
 - There are no additional dependents
 - The spouse/domestic partner works for the same company and meets Fallon's eligibility requirements outlined in Section III.
 - Fallon must receive the Member Transaction Form within 30 days of the requested effective date, and it must be signed by both the employee and the employer.
4. An employee or a dependent may change their Primary Care Physician (PCP) at any time without involvement from the employer or filling out a Member Transaction Form. She or he can simply call Fallon Customer Service at 1-800-868-5200, or log in to MyFallon at fallonhealth.org and click "Change my doctor."

Duplicate coverage

A person who is covered by two Fallon policies at the same time is considered to have duplicate coverage. Fallon follows the coordination of benefits (COB) guidelines determined by the Massachusetts Code of Regulations to decide which plan is primary (first payer) and which plan is secondary (second payer). You must include information on your enrollment forms about other health insurance plans under which you are covered.

Here are provisions for determining primary and secondary health plans:

1. The insurance plan or other coverage that does not have a COB provision in its provisions or is otherwise obligated under the law is always primary.
2. The subscriber's health care plan is primary when the subscriber is a patient. When the subscriber's spouse has his or her own health care coverage and is the patient, the spouse's coverage is primary. The subscriber's coverage of the spouse is secondary.
3. The health care plan of the parent whose birthday falls earlier in the calendar year (month/day) is primary for dependent children.
4. When guidelines 1, 2 and 3 do not determine the order of liability, the health care plan that has covered the patient for the longer period is primary.
5. When we receive a claim from a member who has primary health care coverage with another plan, we reject the claim and instruct the provider to submit it to the primary health care plan. We then consider any remaining balance if our health care plan requirements have been met.



Options for coverage after termination

As noted earlier in this section, employees and dependents may continue membership after termination in the following instances:

- An employee may be eligible to continue group coverage under COBRA or Mini-COBRA. Please refer to Section V that pertains to COBRA and Mini-COBRA for more information regarding eligibility requirements.
- An employee may continue to cover a divorced spouse, or she or he may remove a divorced spouse as of the date the divorce becomes final. The removed spouse may be eligible for coverage under Massachusetts state law, COBRA or Mini-COBRA. They may also be eligible for an individual Fallon health insurance plan. Once this eligibility ends, a Member Transaction Form requesting removal due to loss of eligibility should be sent to Fallon. Both the employer and the employee are required to sign the Member Transaction Form. Fallon will then send information on available health insurance plans to the terminated member. If the employee remarries, he or she may cover only the current spouse or the former spouse under their family contract.
- Employees can also learn more about getting Fallon coverage by contacting the Health Connector at 1-877-MA-ENROLL (1-877-623-6765) or online at mahealthconnector.org.

HIPAA special enrollment rules for qualifying events

The Health Insurance Portability and Accountability Act of 1996 (HIPAA) is one of the most significant federal laws affecting the regulation of health care benefits. The reason for this legislation was to address portability, access, nondiscrimination, and enrollment requirements for all group and individual health plans.

Portability rule

Under HIPAA Special Enrollment rules, employees and/or dependents may enroll in the Plan as a Special Enrollee under certain circumstances. Some of these may be duplicative of other special enrollment opportunities listed earlier in this section:

Marital status change:

- Marriage
- Death of spouse
- Divorce or annulment
- Legal separation

A change in the number of dependents:

- Birth
- Adoption or placement for adoption
- Death of dependent child
- Newly eligible dependents due to plan design change

Note: HIPAA allows the employee who may have elected employee-only coverage initially to not only add a new dependent, but also add the spouse at the time the new dependent is added. HIPAA does not require that all eligible dependents (i.e., other dependent children) be added.



Loss of coverage: If the employee loses other coverage (e.g., spouse's health plan coverage terminates, or Medicare or Medicaid eligibility ends).

In addition to HIPAA special enrollment events, changes to plan elections may be made under Section 125 rules under the following circumstances:

1. Dependent status change: If the dependent no longer satisfies rule for eligibility as a dependent, due to:

- Attainment of age
- Loss of student status
- Marriage of dependent child

2. Change in employment status:

- Commencement or termination of employment
- Commencement of, or return from, leave of absence
- Change from part-time to full-time status, or from full-time to part-time status
- Strike or lockout

3. Judgment, decree or order requiring coverage due to Qualified Medical Child Support Orders (QMCSO)

4. Change in residence may be a special enrollment event if there is a loss of eligibility for a region specific plan, such as an HMO

Special enrollment rights in case of Medicaid and Children's Health Insurance Program

If you qualify under Public Law 111-3-Feb. 4, 2009, your plan sponsor shall permit you—if you are eligible but not enrolled—or your dependent—if your dependent is eligible but not enrolled—to enroll under the group health plan in the following circumstances:

- You or your dependent loses coverage under a Medicaid or CHIP program (in Massachusetts, MassHealth) due to a loss of eligibility. You have 60 days from the date of termination of coverage to request coverage under the group health plan for you or your dependent.
- You or your dependent becomes newly eligible for a premium assistance subsidy program under Medicaid or CHIP. You have 60 days after the date you or your dependent is determined to be eligible for the premium assistance subsidy to request coverage under the group health plan.

How to get more HIPAA information

The U.S. Department of Labor provides additional information about HIPAA:

- Call the Employee Benefits Security Administration hotline at 1-866-444-EBSA (3272)
- Access more information online at www.dol.gov



COBRA and Mini-COBRA

The Consolidated Omnibus Budget Reconciliation Act (COBRA) and Mini-COBRA are laws mandated by the Federal (COBRA) and State (Mini-COBRA) governments that require employers to provide continuation of health care coverage for their employees and dependents.

Consolidated Omnibus Budget Reconciliation Act (COBRA)

COBRA is a federal law that requires employers with 20 or more employees to offer a continuation of group health coverage to employees and their dependents who would otherwise lose group health coverage due to certain qualifying events, such as leaving employment or layoff. COBRA enrollees receive the same level of group benefits as active employees. It is the employer's responsibility to notify employees and their eligible dependents of their rights under COBRA **within 14 days of the qualifying event**. Billing for continuation of coverage under COBRA is also the employer's responsibility. However, employers may add up to 2% to the group premium rate as an administrative charge, to be paid by the former employee.

Federal law mandates that COBRA benefits apply to both self-funded plans and fully-insured group health plans.

Fallon COBRA coverage guidelines

When implementing COBRA coverage, Fallon requires that the following guidelines and/or time frames are met:

- If the subscriber chooses at the time of the qualifying event to remain on the group coverage, notice of COBRA election must be communicated to Fallon. The subscriber will automatically remain on your Fallon group coverage. *Please note that it is your responsibility as the employer to collect premium payments from the former employee and forward them to Fallon.*
 - When a termination from your group coverage through COBRA is requested, it must be forwarded to Fallon's Enrollment and Billing Operations Department within 30 days of the requested termination date.
- If the subscriber does not choose to remain on the group coverage, or if no immediate election is made, you should remove the subscriber and dependents from your group. A transaction form must be forwarded within 30 days of the requested termination date to:

Fallon Health
Enrollment and Billing Operations Department
10 Chestnut St.
Worcester, MA 01608
- If the subscriber chooses COBRA coverage *after* Fallon receives a termination form, a Membership Transaction Form requesting reinstatement of the subscriber must be forwarded to the Enrollment and Billing Operations Department as soon as the employer receives payment from the employee. Please include a notation in the remarks section stating the reason for reinstatement. COBRA coverage would be retroactively effective as of the date of employment termination.

Information in this section includes:

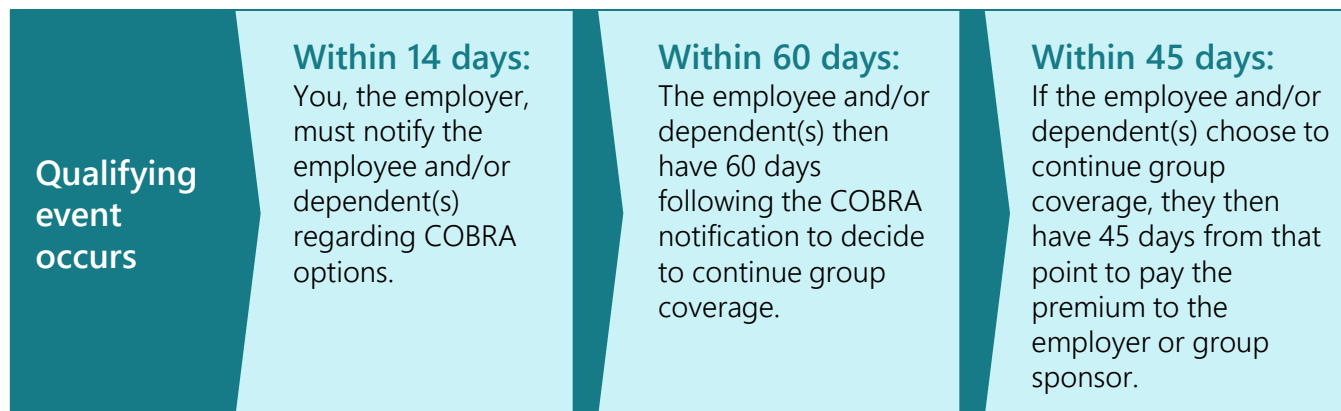
1. Explanations of both COBRA and Mini-COBRA.
2. Fallon's coverage guidelines for COBRA—continuation of coverage required for employers with 20+ employees.
3. Fallon's coverage guidelines for Mini-COBRA—continuation of coverage required for employers with less than 20 employees.

Note: The coverage guidelines outlined in this section are based on Fallon's interpretation of these regulations. Please consult your appropriate business advisor to determine your obligations.



COBRA *time frames*

If your company chooses not to administer COBRA according to the above guidelines, Fallon will require documentation of correspondence and/or payments indicating compliance with COBRA timeframes below. Please note: Fallon will not terminate a COBRA-eligible employee more than 30 days retroactively without this documentation.



Because Fallon normally offers 30-day retroactivity, a maximum total of 149 days of retroactivity will be offered for documented COBRA-related transactions that meet these guidelines.

COBRA *notifications*

For all COBRA-related changes, additions and terminations, please use the remarks section on the Membership Transaction Form to indicate what is being requested. When a person is terminated from COBRA, Fallon will contact the former COBRA subscriber by mail, at his or her last known address, to offer information regarding the member's available options.

Mini-COBRA—Continuation of small group health coverage

The Commonwealth of Massachusetts Chapter 297 of the Acts of 1996, among other provisions, extends the eligibility and requirements of COBRA to groups with as few as two employees. This is called Mini-COBRA. Mini-COBRA requires insurers and HMOs like Fallon to provide enrollees (employees and their dependents, called "qualified beneficiaries") with the opportunity to continue to receive coverage through their small group health plan—and pay group rates for certain time periods—if the employee becomes ineligible for coverage for certain qualifying events. Small group employers are required to help with the administration of Mini-COBRA by issuing certain notices and election forms, and collecting premiums.

Mini-COBRA applies to small group health benefit plans issued to employers with two to nineteen employees. However, Mini-COBRA does not apply to self-funded plans. Unlike COBRA, Mini-COBRA benefits are not mandated to apply to both self-funded plans and fully-insured group health plans.

Definitions:

What is a qualified beneficiary?

A qualified beneficiary is generally an individual who is covered under a small group health benefit plan on the day before the qualifying event. Qualified beneficiaries include an employee, the spouse of an employee, and the dependent child/children of an employee. There are certain instances where retirees (and their family members) whose former employers are involved in bankruptcy proceedings are qualified beneficiaries and are eligible to receive mini-COBRA benefits.



What is a qualifying event?

Qualifying events are those that would cause a qualified beneficiary to lose health coverage, and include:

- Termination of the employee's employment (for reasons other than gross misconduct) or reduction in work hours.
- The death of the employee.
- The employee's new entitlement to Medicare.
- The divorce or legal separation of the employee from the employee's spouse.
- If a dependent child is no longer considered to be dependent under the terms of the small group health plan.

What happens if there are multiple qualifying events?

The 18-month period for which coverage is offered due to a termination or a reduction in work hours may be extended to 36 months from the date of the termination or reduction in work hours if another qualifying event (such as death, divorce, legal separation, Medicare entitlement, or dependent ceases to be dependent) occurs during the original 18-month period.

Employer and employee notification responsibilities *(for a full list of employer and employee responsibilities, please see pages 26-28 in this section)*

It is the employer's responsibility to notify Fallon within 30 days of the occurrence of any of these three qualifying events:

- Termination of the employee's employment (other than for gross misconduct) or reduction in work hours *(see note below for more details)*
- The death of the employee
- The employee's new entitlement to Medicare

You must complete a Membership Transaction Form to notify Fallon of these qualifying events. It is not the employee's obligation to provide notice under these three circumstances.

Note: There is a special rule for qualified beneficiaries who are determined to be disabled under the Social Security Act at the time of a qualifying event involving termination or reduction in work hours. Coverage may be extended, from 18 months to 29 months, if notice of such determination is given to Fallon by the qualified beneficiary within 60 days of the date of such determination and before the end of the 18-month period. Disabled individuals are required to pay 150% of the premium for Mini-COBRA coverage after the initial 18-month period expires. These qualified beneficiaries also must notify Fallon within 30 days of the date of a final determination that they are no longer disabled.

You may help the qualified beneficiary notify Fallon by providing the employee with a notice and election form, and submitting it to Fallon. If the qualified beneficiary would like to contact Fallon directly, please provide him or her with the Mini COBRA Continuation of Coverage Benefits Guide on the Massachusetts Division of Insurance website: <http://www.mass.gov/ocabr/insurance/health-insurance/consumer-guides/minicobra.html> or call the Massachusetts Division of Insurance Customer Service line at 1-617-521-7794 (toll-free: 1-877-563-4467).

It is the employee's responsibility to notify Fallon within 60 days of the occurrence of either of these two qualifying events:

- The divorce or legal separation of the employee from the employee's spouse.
- When a dependent child is no longer considered to be dependent under the terms of the small group health benefit plan.



The Mini-COBRA process:

- 1. Once notified of a qualifying event, small group employers have 14 days to notify qualified beneficiaries of their right to elect continuation of coverage.**

Fallon requires small group employers, once they are aware of a qualifying event of any kind, to notify qualified beneficiaries of the availability of Mini-COBRA coverage (within 14 days of the date the small group employer becomes aware of the qualifying event) and tell them that they are eligible to continue their small group health care coverage. This notification sets forth the procedures that the qualified beneficiary must follow to receive this coverage, including sending their election form and paying their premiums to the small group employer, which are forwarded to Fallon.

- 2. The qualified beneficiary must decide whether to elect Mini-COBRA coverage within 60 days of notification.**

Once the qualified beneficiary receives the sample notice of eligibility for Mini-COBRA benefits, the qualified beneficiary has 60 days in which to elect Mini-COBRA coverage. The 60-day period runs from the later of:

- (a) the date on which coverage terminates by reason of the qualifying event; or
- (b) the date of the notice to elect Mini-COBRA.

At any time during the 60-day election period, the qualified beneficiary may decide to waive his or her right to continue coverage under Mini-COBRA. If the qualified beneficiary changes his or her mind, the waiver may be revoked before the end of the election period. If the waiver is revoked, Fallon is required to provide coverage only from the date the waiver is revoked.

- 3. Once the qualified beneficiary elects Mini-COBRA coverage, there is required paperwork.**

The qualified beneficiary may elect to continue small group coverage by filling out the Mini-COBRA written election form, which is attached to the sample notice provided by Fallon to small group employers. The qualified beneficiary must fill out this form and return it to the small group employer. The small group employer must forward it to Fallon immediately upon receipt from the qualified beneficiary, preferably within the 60-day election period.

- 4. Payment of premium.**

Once the qualified beneficiary has elected to continue small group health care coverage, she or he must make the first premium payment within 45 days after electing Mini-COBRA continuation of coverage. Subsequent premium payments may, at the election of the qualified beneficiary, be made in monthly installments. Qualified beneficiaries should make every effort to pay their premium for Mini-COBRA coverage in a timely manner, as small group employers are not required to pay premium payments up front. This will ensure that Mini-COBRA coverage is not cancelled due to nonpayment of premiums.

The employer must send premium payments to Fallon as required and outlined in Section IX, Premium Billing. If the qualified beneficiary's account reaches suspension status (15 days past due date), Fallon is obligated to notify the qualified beneficiary, in writing, that payment has not been received.

All premiums must be paid to the small group employer, who must forward the premiums to Fallon on the qualified beneficiary's behalf.



When does Mini-COBRA coverage end?

Mini-COBRA coverage would end in any of the following circumstances (for more details, please see the Summary of the Mini-COBRA continuation of coverage requirements chart below.)

- The maximum time period for coverage expires.
- A small group health benefit plan is no longer being provided to other similarly situated eligible employees.
- An individual becomes covered under any other health plan which does not contain any exclusion or limitation with respect to any preexisting condition of such individual.
- Premiums are not paid in a timely manner.
- An individual becomes entitled to Medicare benefits.

Summary of the Mini-COBRA continuation of coverage requirements:

Qualifying event	Qualified beneficiary	Who must notify Fallon	Length of time coverage must be offered
Death of an employee	Spouse, dependent child	Employer	36 months
Termination of employment (other than by reason of employee's gross misconduct)	Employee, spouse, dependent child	Employer	18 months
Reduction in hours worked by employee	Employee, spouse, dependent child	Employer	18 months
Employee becomes entitled to Medicare	Spouse, dependent child	Employer	36 months
Divorce or legal separation of the employee from his/her spouse	Spouse, dependent child	Employee or qualified beneficiary	36 months
Dependent child is no longer considered to be dependent	Dependent child	Employee or qualified beneficiary	36 months

Summary of employer responsibilities:

- 1. Notification to Fallon that certain qualifying events have occurred.**
Small group employers must notify Fallon within 30 days of the occurrence of any of the following qualifying events: (1) the termination or reduction in an employee's work hours; (2) the death of the employee; or (3) the employee becomes entitled to Medicare.
- 2. Notification to qualified beneficiaries of their right to continue coverage under Mini-COBRA.** Small group employers must provide the sample notice and election form to the qualified beneficiary within 14 days of becoming aware of a qualifying event of any kind. Small group employers must forward the qualified beneficiary's notice and election form to Fallon immediately upon receipt from the qualified beneficiary.



Summary of employer responsibilities *(continued)*:

3. Administration of premium payments.

Small group employers must collect the Mini-COBRA coverage premiums from employees and forward the premiums to Fallon within 15 days of the due date, which is the first day of the covered period.

4. Provision of Fallon's contact information.

If the qualified beneficiary does not know how to contact Fallon directly, small group employers must provide him or her with the Fallon Customer Service Department telephone number, 1-800-868-5200 (TRS 711).

Summary of qualified beneficiary responsibilities:

1. Notification to Fallon that certain qualifying events have occurred.

The qualified beneficiary must notify Fallon within 60 days of the date (1) a divorce/legal separation occurred; or (2) a dependent child is no longer considered dependent under the plan.

2. Election.

The qualified beneficiary must notify the small employer of his or her election to continue small group health coverage within 60 days from the later of: (1) the date on which coverage terminates under the small group health plan by reason of the qualifying event; or (2) the date of the notice to elect Mini-COBRA.

3. Premium payments.

Qualified beneficiaries must make their first premium payment to their small group employer within 45 days after electing Mini-COBRA continuation of coverage. Subsequent premium payments may, at the election of the qualified beneficiary, be made in monthly installments, and are also paid to the small group employer.



What employers need to know about Medicare

As an employer providing health insurance to your employees, there are certain things about Medicare that you should know. In this section, you will find information about Medicare rules that could affect you.

Medicare Part D Creditable Coverage

According to the Centers for Medicare & Medicaid Services (CMS) website, “The Medicare Modernization Act (MMA) requires entities (whose policies include prescription drug coverage) to notify Medicare eligible policyholders whether their prescription drug coverage is creditable coverage, which means that the coverage is expected to pay on average as much as the standard Medicare prescription drug coverage.” This simply means that as an employer, it is your responsibility to notify those employees who are eligible for Medicare that the prescription drug coverage you provide is either “creditable,” or “non-creditable”—meaning, it is either as good as, or not as good, as Medicare Part D’s standard prescription drug coverage.

You can use sample notification templates provided by CMS. They can be found on their website at: www.cms.gov/CreditableCoverage/.

Medicare Secondary Payer

Medicare Secondary Payer (MSP) is the term used by Medicare when Medicare is not responsible for paying first.

Insurance companies, like Fallon Health, work with the Centers for Medicare & Medicaid Services (CMS) to update their records to confirm when Medicare is a primary payer and when it is a secondary payer. However, there are situations in which our records do not match. For example, if you have an employee who has Medicare, but who also has coverage under your group contract, your group contract through Fallon would be the primary payer and Medicare would be the secondary payer.

If you receive a Medicare Secondary Payer Recovery Demand Letter Package from CMS, please contact the COB/Recovery department ACD line at 1-508-368-9940. As always, you can also contact your Account Manager directly.

Outreach to Medicare-eligibles

As our members approach the age of 65, Fallon reaches out to them via direct mail, letting them know that we offer Medicare Advantage and Medicare Supplement options. Once members are no longer eligible to receive health insurance from their employer, they can choose to enroll in a Medicare group plan that you offer to your employees, or enroll in individual coverage.

Information in this section includes:

1. Medicare Part D Creditable Coverage—what it is, and what your employee notification responsibilities are.
2. What to do if the Centers for Medicare & Medicaid Services contacts you directly about Medicare Secondary Payer.
3. Outreach performed by Fallon to Medicare-eligibles.



Premium billing

This section explains how Fallon's premium billing procedures work. The Billing Operations Department is responsible for all premium billing processes.

The Billing Operations Department is responsible for:

- Processing all premium invoices and payments
- Answering questions you may have regarding payments
- Implementing and managing all group rates
- Issuing late notices
- Imposing cancellations for non-payment
- Collecting unpaid premiums
- Performing premium reconciliations

Fallon reserves the right to audit your account membership, rates and premium transactions, and make necessary changes needed based on that audit. If you have questions about your premium bill, please call the number listed in the beginning of this book.

Paying your monthly group plan premium

Fallon is a prepaid plan, which means that with each paid invoice, you are paying for the following month's premium. For example, if your bill is due on February 1, you are paying for the premium you owe for the upcoming month of February.

Invoices are produced and mailed approximately 20 days prior to the payment due date. Payment of your bill is due by the due date indicated on your bill. Your monthly invoice reflects all membership transactions and payments that have been processed up to the day that the invoice is generated.

It is important that you pay your invoice as billed. Although you may be anticipating enrollment credits, we do not allow short-paying invoices. If you short-pay an invoice, it may result in cancellation of coverage for nonpayment. If a Member Transaction Form is received and processed after your invoice has been produced, the transaction will appear on your next bill. **Please wait for enrollment credits to appear on your invoice, and do not make the adjustment yourself.** If the adjustment does not appear on your next bill, please contact your Account Manager at 1-800-333-2535. For any other questions you may have about your bill, please call the Customer Service Department.

As a prepaid plan, Fallon invoices cannot always reflect the most current activity for the month being billed. The following are some examples of how Fallon tracks and bills your monthly activity accurately.

Proration versus split billing


Most groups are set up with a daily proration of premium. That means that if, for example, a member is added effective 5/3, the premium for that member on your 6/1 bill will be for 29 days only (5/3 – 5/31) instead of the full month. So, if your monthly member premium is \$100, the charge for the member effective 5/3 will be \$93.55 instead of the full \$100. The same logic applies if a member is removed from your contract as of a certain date within the billing month.

Some groups may have a split billing premium calculation arrangement. This arrangement is sometimes also referred to as the "wash" method. Under a split billing arrangement, if a member's coverage becomes effective on or before the 15th of the month, premium is owed for the entire month.

Information in this section includes:

1. How and when you need to make premium payments to Fallon.
2. What is retroactivity, and how it works.
3. What is split billing, and how it works.
4. What happens if you don't pay your bills.





If a member's coverage becomes effective on or after the 16th, no premium is owed for that month. Likewise, if a subscriber's cancellation is effective on or before the 15th of the month, no premium is owed for that month. If the cancellation is effective on or after the 16th of the month, the entire month's premium will be charged. If you are interested in a split billing arrangement, please contact your Account Manager.

Retroactivity and how it affects your invoice

In some cases, an action will occur before your invoice date, but after the invoice has been produced. For example, you may have a terminated employee effective 4/30, but because Fallon pre-bills, and your May invoice would already have been produced, you would see a charge for that person on your May invoice. To make up for the discrepancy in payment, on your June bill you would see that the employee was removed "retroactively" back to 5/1, and you would be credited for that person's monthly premium for May.

The retroactivity daily rate is calculated the same as described above with proration. It is based on the number of days in your billing period. For example, January 1 through January 31 is 31 days. To obtain the daily rate, divide the monthly premium by 31.

Your premium bill:


Every month, you will receive your invoice. If you offer both Fallon Health and FHLAC products, you will see separate billing sections for those product lines. On the next three pages is a sample invoice. You will see that the invoice is three pages long, with a Fallon Health page, a FHLAC page and a Totals page. Within each page you will see boxes and arrows that will help you to read your own invoice. A few things to note:

1. The premium dollar information listed is for explanatory purposes only.
2. References to "Fallon Health " = fully insured commercial HMO and Medicare Advantage products
3. References to "FHLAC" = fully insured commercial PPO products, all self-insured products, Fallon Companion Care and Medicare Supplement products
4. Please return the page one coupon only with your payment. You do not need to fill in your Fallon Health amount or FHLAC amount enclosed on any page but page one.



Sample Invoice (Page 1)

This is your total FCHP + FHLAC invoice amount due



CHESTNUT PLACE
 10 CHESTNUT STREET
 WORCESTER, MA 01608

PLEASE WRITE YOUR ID# \ GROUP# ON YOUR CHECK

FCHP AMOUNT ENCLOSED

FHLAC AMOUNT ENCLOSED

AMOUNT DUE

FHLAC AMOUNT ENCLOSED

80000039886000743692338000003945400005989974000000000000000080359207201904010

GROUP OR MEMBER NAME

STREET ADDRESS

CITY, STATE ZIP CODE


Your company name and address

PLEASE REMIT TO

FALLON HEALTH

PO BOX 847231

BOSTON, MA 02284-7231



ID/ACCOUNT NO.

CUSTOMER NO.

PERIOD COVERED

TRANSACTIONS PROCESSED THROUGH

PLEASE PAY ON OR BEFORE

[PLEASE DETACH HERE AND RETURN TOP PORTION WITH YOUR PAYMENT]

<p>FALLON HEALTH INVOICE DETAIL</p> <p>PREVIOUS BALANCE :</p> <p>BALANCE FORWARD :</p> <p>CURRENT MONTHLY PREMIUM :</p> <p>TOTAL TRANSACTION ACTIVITY :</p> <p>FALLON HEALTH TOTAL AMOUNT DUE</p> <p>FHLAC INVOICE DETAIL</p> <p>PREVIOUS BALANCE :</p> <p>BALANCE FORWARD :</p> <p>CURRENT MONTHLY PREMIUM :</p> <p>TOTAL TRANSACTION ACTIVITY :</p> <p>FHLAC TOTAL AMOUNT DUE</p> <p>INVOICE SUMMARY :</p> <p style="padding-left: 20px;">FALLON HEALTH TOTAL AMOUNT DUE :</p> <p style="padding-left: 20px;">FHLAC TOTAL AMOUNT DUE :</p> <p style="padding-left: 20px;">TOTAL AMOUNT DUE :</p>	
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New! Review and pay your bill online.

Visit invoicecloud.com/fallonhealth to make a one-time payment or register for paperless billing.

Customer Service : 1-800-333-2535 x69322



Sample Invoice (Page 2)

Please use the below form to communicate any updates in your information.

Customer Name	
Street address	
Apt/Unit/P.O. Box	
City/State/Zip	
Contact name	
Telephone number	

If needed, update
your information
here

Explanation of invoice

Please use the boxes at the top of the coupon to ensure your payment is applied correctly.

Total amount due = all outstanding balances including currently billed premium.

Due date = the date the invoice payment is due.

Total transaction activity = the sum of all changes (adds/terms/changes) processed since the last invoice date.

Previous balance = the total amount due from last month's invoice.


Balance forward = the outstanding balance remaining from last month's invoice.


Transaction types:

- I = Individual
- F = Family
- T = Employee/Spouse
- E = Employee/Child(ren)



Sample Invoice (Page 3)





CHESTNUT PLACE
10 CHESTNUT STREET
WORCESTER, MA 01608

Group number

→

Contract type


→


Total premium rate


→

Group Number	Contract Type	Total Number Of Subscribers	Premium Rate	Total
	INDIVIDUAL			
	EMPLOYEE/CHILD(REN)			
	EMPLOYEE/CHILD(REN)			
	EMPLOYEE/POUSE			
	FAMILY			
			Total Transaction Activity	\$0.00
			Group/Department Total	









Subscriber ID
Account Number

Subscriber Name

Contract Type

Transaction
Type

From Date

To Date

Transaction Amount

Individual

Family

Employee/Child/REN


Family

Family

Employee/Spouse

Subscriber ID account
number

Contract type



fallonhealth

CHESTNUT PLACE
10 CHESTNUT STREET
WORCESTER, MA 01608

- SELECT CARE HMO

35

Payment options

You can pay your Fallon bill in several ways:

1. You can send us a check in the mail.

Please include your Fallon customer number on your check and make it payable to Fallon Health. To avoid misapplied premium payments, be sure to complete the top portion of your bill (see the sample premium bill example above) and include it with your payment to:

Fallon Health
P.O. Box 847231
Boston, MA 02284-7231

Payments must be received by the "Please pay on or before" date printed on your invoice to have an accurate or current balance reflected on your next bill (and to avoid a late payment notice). Please allow seven days for payments mailed via the United States Postal Service. If payments are returned for insufficient funds, Fallon will impose a \$25 returned payment fee and you may be required to make future payments by certified check or money order for 6 months.

2. You can pay online using Invoice Cloud.

Visit invoicecloud.com/fallonhealth to make a one-time payment online. With Invoice Cloud, you can:

- Review real-time balances
- Obtain a copy of the invoice
- Make one-time Automatic Clearinghouse payments
- Schedule payments
- Elect recurring payment options
- Pay by text message
- Utilize the Interactive Voice Recognition (IVR) system to make payments through an automated messaging service – 24 hours a day, 7 days a week. Just call 1-844-778-1818.

3. You can have it deducted through an automated clearinghouse (ACH).

When you choose this option, you allow Fallon to debit the total premium billed to your bank account on the due date. Fallon can also credit any amounts that you are owed directly to your bank account using this option. If you are interested in using this payment option, please contact Customer Service to request an authorization form.



Fallon Health collections policy—What happens if you don't pay your bill

Because Fallon is a prepaid plan, payment is due by the first day of each month (either the 1st or the 15th, depending on your anniversary date.) If payment is received after your payment due date, the following collection schedule and policies will apply:

Late payments:

If your payment is:

15 calendar days past your payment due date, your group coverage will be considered delinquent. You will then receive a "Notice of Past Due Balance." This notice will include the amount due, how you should remit payment, and what happens if payment is not received.

30 calendar days past the due date, your group coverage will be cancelled. You will receive a group cancellation letter. Subscribers with your group will be sent "Notice of Coverage Cancellation" letters addressed to their homes. The letters include their options to purchase conversion coverage. As a short 28-day month, February cancellations will occur after month's end.

Received on or after the 31st day calendar day past the due date, you must apply to the plan for reinstatement. Please see below for information on this process.

Reinstatements

A written request is required for reinstatement of an account. Simply provide your group information, explain why your payments were behind, and request reinstatement. You may send requests for reinstatement to Billing Operations via e-mail at FallonHealthBilling.AndCollectionsDept@fallonhealth.org, or via mail at the following:

Fallon Health
Billing Operations
10 Chestnut St.
Worcester, MA 01608

If you are approved for reinstatement, you are required to pay Fallon the entire amount owed, including all past due and currently billed premium for a future due date prior to being reinstated. In addition, you will be charged a reinstatement fee of \$50.


If you are not approved for reinstatement, or if you choose not to opt for reinstatement, there will be a 12-month waiting period before you can receive coverage through Fallon. You will be responsible for any unpaid balance before your contract can be rewritten with Fallon.

Groups will not be reinstated more than three times within a rolling 12-month period.

Cancellation for nonpayment

If payment is not received by 30 days past your payment due date, Fallon will cancel your group coverage as of the date for which premiums have been paid. As described previously, if your group coverage is cancelled for nonpayment, you may be eligible to apply for reinstatement within 30 days. If reinstatement does not occur, there will be a 12-month waiting period and you will be responsible for any unpaid balance before your contract can be rewritten with Fallon.





If there is a balance due for unpaid premium after the account is cancelled or becomes inactive, a balance due notice, as well as a final invoice, will be sent to the group administrator. If no payment is received, your account will be forwarded to an external collections agency for further action.

Subscriber coverage options after group cancellation for nonpayment

Once you are 30 days past due with your payment, subscribers with your group will receive “Notice of Coverage Cancellation” letters from Fallon explaining their coverage options. One of those options is to purchase a 60-day conversion plan. The 60 days of conversion coverage will be at the same cost and coverage level previously covered by your group plan. If a subscriber chooses this coverage, a written request from the subscriber must be sent to Fallon within 60 days of the date of the cancellation letter. The 60-day conversion plan is not available to employees whose Fallon coverage became effective on or after the cancellation date. If subscribers choose not to purchase conversion coverage, they—and any covered dependents—will not be covered for any services received after the cancellation effective date. Subscribers can learn about their other coverage options by contacting the Massachusetts Health Connector at 1-877-MA-ENROLL (1-877-623-6765) or online at mahealthconnector.org.

Please note: Fallon’s collection schedule and cancellation for nonpayment are in compliance with Massachusetts regulation 940 CMR 9.00, which became effective on March 1, 1996.



Claims

In this section you will find information about Fallon Health's claims processes.

Claims Administration

The Claims Administration Department is responsible for prompt and accurate claims payment in accordance with regulatory and contractual requirements. Fallon's goal and industry standard is to process 90% of claims within 30 days.

Member reimbursements

There may be instances where you have an employee who paid for a covered service out of his or her own pocket. If that occurs, the employee should submit the following information to Fallon within six months of the date of service:

- Patient's name
- Patient's date of birth
- Proof of payment (e.g., front and back of cancelled check or credit card receipt)
- Bill or statement from provider showing:
 - Patient's name
 - Patient's date of birth
 - Date of service
 - Procedure code (except for prescriptions)
 - Diagnosis code (except for prescriptions)
 - Amount billed for each service provided
 - Receipt showing medication dispensed, NDC number, and amount dispensed (only for prescriptions)

Note: if the bill/statement is from a foreign country, and is not in English, it must be translated into English prior to submission to Fallon.

This information can be submitted to Fallon, along with the member reimbursement request form which can be found in the Forms Library in the Member section of our website at fallonhealth.org. (An image of the member reimbursement request form can be found on the next page.) It can be sent to us by mail, email or fax:

1. **By mail:**
Fallon Health
P.O. Box 211308
Eagan, MN 55121-2908
2. **By email:** Reimbursements@fallonhealth.org
3. **By fax:** 1-508-797-4292

Please allow 4-6 weeks for processing. However, if the submission does not include all the necessary information, there may be processing delays.

Please note: If a Fallon member pays for a covered service at one of Fallon's participating providers, our policy is to pay the provider directly for the service. The provider will then reimburse the member, less any member cost sharing.

Information in this section includes:

1. The responsibilities of the Claims Administration Department.
2. The member reimbursement process.
3. What happens if a member has other insurance in addition to Fallon.
4. Using referrals and authorizations.



Other insurance

Fallon researches all claims for third-party involvement, and has the right to obtain reimbursement on workers' compensation and subrogation (injury) cases that may result in a liability claim. Fallon also has the right to coordinate benefits where there is additional insurance coverage. Members must provide Fallon with information and assistance in retrieving these repayments, and may be contacted to supply necessary information. If you have any questions regarding coordination of benefits, please call the Fallon Customer Service team, and we will be happy to assist you.

Referrals and authorizations

It is imperative that your employees understand the provider network available to them, and that they confirm that the providers of their choice are contracted for their plan. Fallon members cannot rely on their physicians to tell them if they are contracted with their health plan. Members should use the Find a Doctor tool on our website to ensure their providers are contracted with Fallon, and with their specific plan. Members can search for a provider by name using our Quick Search tool illustrated below:

Request for Payment of Pharmacy Services

Request for payment to: ☐ Subscriber ☐ Member (Proof of payment must be included; see reverse.)

MEMBER INFORMATION

First name Middle initial Last name Date of birth MM/DD/YYYY

Street City State ZIP

Member ID number Home telephone Work telephone Sex ☐ Male ☐ Female

PRESCRIPTION INFORMATION (See your prescription label for details.)
Please note that we cannot process your request unless this entire section is completed.
Date filled MM/DD/YYYY Rx number Days supply (ask your pharmacist for this information) NDC number

Request for Payment of Medical Services

Request for payment to: ☐ Doctor or provider ☐ Subscriber ☐ Member (Proof of payment must be included for subscriber or member; see reverse.)

MEMBER INFORMATION

First name Middle initial Last name Date of birth MM/DD/YYYY

Street City State ZIP

Member ID number Home telephone Work telephone Sex ☐ Male ☐ Female

PHYSICIAN OR PROVIDER OF SERVICE INFORMATION

Provider or facility where services received NPI or tax ID number of provider of service

Address of provider or facility where services received

Name of referring physician (if applicable)

DIAGNOSIS

Date of service MM/DD/YYYY Provider of service Charge Amt. paid

Description of service

INTERNATIONAL SERVICE INFORMATION (Complete if service was outside the U.S.)

Country where services were rendered Language of documentation

Currency paid How was payment made? (i.e.: check, credit card, cash)

OTHER INSURANCE

Is member covered by other insurance? ☐ Y ☐ N If yes, number: _____
If yes, name and address of carrier: _____

Is the claim due to

an automobile accident? ☐ Y ☐ N Please explain: _____
any other type of accident? ☐ Y ☐ N Please explain: _____
the result of an occupational injury or illness? ☐ Y ☐ N
Comments: _____

SUBSCRIBER INFORMATION ☐ Check if same as above.

Subscriber's name _____
Subscriber's address _____
City, State, ZIP _____
Home telephone () Work telephone ()

AUTHORIZATION RELEASE

I, the undersigned, hereby authorize any physician, hospital, insurer, or other organization or person having any medical or other records, data or information concerning me or my minor dependent to furnish such records, data or information to Fallon Health. I understand that in executing this authorization, I waive all claim and right of privilege with regard to such information. A photocopy of this authorization shall be considered as effective and valid as the original bearing my signature.

Subscriber signature _____ Date _____
Patient signature _____ Date _____
(if other than insured or minor)

See reverse for instructions.

Find a doctor, dentist, or other health care provider

Provider search tool last updated on 2/13/2018

Quick search by health care provider's name

- ☒ Search our regional networks
☐ Search our national PPO network
 Search this state:

MASSACHUSETTS

Health care provider's name:

Last name, first name

Examples:

- williams, jack
- St. John, Amy
- Smith
- Saint Peter Hospital

Search

Advanced Search

- ☒ Search our regional networks
☐ Search our national PPO network
☐ Search a specific plan's network

Select a plan *Required*

I'm not sure what my plan network is

Search by tier

Required if Tiered Choice

What is a tier?

Enter your ZIP code or your city and state

(Required)



Members can also find providers by their network, their geography, specialty, etc. using our Advanced Search tool, illustrated below:

☒ **Primary care provider (PCP)** - primary care doctors, nurse practitioners or physician assistants

☐ **Specialist:**

Specialty vision care
To find a vision care specialist, choose "Ophthalmology" in the "Specialist" drop-down menu above.

Health care provider's name:

(Optional)

Health care provider's gender:

Preferred language:

Do you have a preference for which hospital your doctor has admitting privileges to?

Medical group affiliations:

Accepting new patients:

Search

Search for additional specialists on our partners' websites
[Acupuncturist](#) (This link takes you away from this website.) – NaviCare HMO SNP and SCO members can search for an acupuncturist. (If you are a current MassHealth member looking for an acupuncturist, [download a PDF of acupuncturists.](#))
[Behavioral health provider](#) (This link takes you away from this website.) – Search for psychiatrists, psychologists, social workers, applied behavior analysis (ABA) providers, mental health facilities and more on Beacon's website. Enter "Massachusetts" as your state and "Fallon Health" as your health plan.
[Emergency Service Program providers list](#) (pdf)– Mental health and substance

Fallon will not pay claims for services received outside of the network (with the exception of those plans that have out-of-network coverage), without the proper referrals and/or prior authorizations, or that are not covered by the plan as stated in the Member Handbook. A special note for PPO members: it is ultimately the member's responsibility to confirm that his/her physician gets the necessary authorizations prior to receiving services. Otherwise, the member may be subject to a penalty or full charges.



Working with your broker

In this section, we will discuss rules and recommended guidelines that will both improve your relationship with your broker, and ensure that Fallon Health complies with internal policies and procedures and federal and state regulations.

Why use a broker?

Fallon strongly advocates that our employers use an insurance broker. Brokers can help you to interpret benefits, plan options and networks that are available to you as an employer. They can also help match up your needs with what is available in the marketplace. If you don't yet have a broker, we recommend that you visit The Massachusetts Association of Health Underwriters broker tool at: www.massahu.org/broker-locator/ to find a broker in your area.

Authorizing a broker

As an employer, you can choose to allow a broker (other than your current broker of record) to quote on your behalf. The broker must be a licensed, credentialed broker, and will be subject to license verification by Fallon. Additionally, Fallon requires a Letter of Authorization. The Letter of Authorization does not assign a new Broker of Record (BOR), it simply gives a competing broker the authority to receive information—such as renewal and demographic information and account history—and act as your representative.

For a Letter of Authorization to be accepted by Fallon:

1. The letter must be on your company letterhead. If your company does not have its own letterhead, we reserve the right to contact an officer of your company to verify the authorization.
2. The letter must be signed and dated by a corporate officer of your company.
3. The letter must state the effective date of the authorization.

If you choose, you may identify this new broker as your Broker of Record by following the instructions below. Fallon will not accept a Letter of Authorization as a request to designate a new BOR.

Changing your broker of record

Many employers use brokers when negotiating their health insurance policies. Fallon keeps each employer's Broker of Record on file, so that we know who your broker is. If you choose to change your broker of record, you may do so at any time. However, we do ask that you inform us when you make this change by sending us a Broker of Record letter with the following requirements:

1. The Broker of Record letter must be printed on your company's letterhead. If your company does not have its own letterhead, we reserve the right to contact an officer of your company to verify the status of the Broker of Record.
2. The letter must be signed by an officer of your company.

On the following page is a copy of the template Broker of Record letter we would ask that you use if you are making a change. This template can be found on our website at fallonhealth.org/brokers/doing-business, in the Broker Resources section.

Information in this section includes:

1. How to change your broker of record.
2. Fallon's Broker Compensation Schedule (broker commissions).
3. What Fallon can discuss with your broker.



Your designated Broker of Record will remain in effect until you notify Fallon in writing of any change. Once we receive a Broker of Record letter, it replaces any previously appointed Broker of Record letters on file with Fallon. You can download an interactive version of the Broker of Record letter at our website: **fallonhealth.org/brokers**. Click on “Selling Fallon’s plans” from the left column, then scroll down to “Additional resources” to locate the link for the Broker of Record letter.

What a Broker and Fallon can discuss

When you assign a Broker of Record, Fallon is authorized to discuss with your Broker any and all of your account information. That includes member information that will be used for the purpose of assisting you with enrollment and/or disenrollment activities. Fallon cannot discuss a member’s protected health information with any broker unless we have a signed authorization form from the member. If you have any questions about what we can discuss with your Broker, please contact your Account Manager.

Broker commission transparency

If you use a broker to negotiate and manage your health insurance contracts on your behalf, you have the right to know how they are paid by Fallon. A broker’s commission is built into the employer’s administrative costs; with the exception of self-funded employers—broker commission is paid out of monthly premium for those employers. Your broker may be entitled to receive a commission and/or bonus based on the Fallon compensation schedule. You can learn more about Fallon’s broker compensation on our website. Simply visit the Broker section, and in the Search tool type “compensation.” Or, if you are viewing this handbook electronically, just click here. Specific commission information will be made available to you, the employer, from Fallon upon request.

IRS Form 5500

Every year, as an employer you are required to fill out and file Form 5500 for the IRS. The Form 5500, Annual Return/Report of Employee Benefit Plan, is used to report information concerning employee benefit plans and Direct Filing Entities (DFEs). Any administrator or sponsor of an employee benefit plan subject to ERISA must file information about each benefit plan every year.

All Fallon fully insured employers will receive the following information on an annual basis that you will use to fill out your Form 5500:

- Estimated membership at the end of the policy/contract year.
- Premiums paid by the employer group to Fallon for the last plan year.
- Compensation paid to the broker(s) and general agent(s) of record for the last policy/contract year as commissions based on premium and compensation paid by Fallon as sales incentive bonuses.

Broker of Record Letter
 (To be submitted on client company letterhead only)

Date: dd/mm/yyyy Attention: _____
Name of Fallon Health Account Manager

Dear Fallon Health/Fallon Health & Life Assurance Company, Inc:

If one broker is appointed:
 This letter is to notify you that our company has appointed _____, whose
 business address is _____ as our Broker of Record, with respect to coverage
 provided to this organization by _____ effective _____

If two brokers are appointed:
 This letter is to notify you that our company has appointed _____, whose
 business address is _____
 as our Broker of Record, and will split the broker commission _____ with _____
 whose business address is _____

It is our understanding that _____'s broker commission will be built into administrative
 costs, or paid out of our monthly premium (ASOs only). Fallon Health/Fallon Health & Life Assurance Company, Inc.
 (FHLAC), is authorized to discuss with _____ any and all financial information you have
 concerning our account. I understand that if our company elects to purchase coverage from your company, that
 _____ may be entitled to receive a commission and/or bonus based on the
 Fallon Health/FHLAC compensation schedule. Fallon Health/FHLAC will make specific commission information available
 on request. The designation of Broker of Record will remain in effect until we notify Fallon Health/FHLAC in writing to
 the contrary. This letter replaces any previously appointed Broker of Record letters on file with Fallon Health/FHLAC.

Sincerely,

Signature of company officer _____ Officer name (Please print.) _____
 Title of company officer _____

Please note: This Broker of Record Letter must be on client company letterhead. If the company does not have its own letterhead, Fallon Health/FHLAC reserves the right to contact an officer of the company to verify the status of the Broker of Record.

17-715-163 Rev. 00 6/17

Sample Broker of Record letter



Glossary

In this section, you will find definitions for words and terms that may appear throughout this Administrative Handbook, and in discussions about health insurance.

Account Manager	Your account manager is your key contact in the Fallon sales department once you have purchased Fallon health insurance coverage. She or he will work with you throughout the year, and upon your renewal with the plan.
Administrative Services Only (ASO)	An ASO employer group is one that is self-insured and pays their own member claims, and outsources only administrative services, such as claims processing. Also see the definition for Self-funded.
Anniversary date	This is the date agreed to by the employer group and Fallon when the employer group's annual premium rate is adjusted and the following year's benefits become effective.
Automated clearinghouse (ACH)	An automated clearinghouse (ACH) account will automatically debit your premium amount from your checking or statement savings account monthly.
Broker	A broker is a licensed, credentialed representative identified by an employer group to negotiate insurance coverage on the employer group's behalf.
Dependent	A member of the subscriber's family who meets the eligibility requirements for coverage as outlined in this handbook.
Effective date	This is the date agreed to by the employer group and Fallon when Fallon coverage for the employer group's subscribers and dependents will begin.
Employer group	An employer who has contracted with Fallon to provide health care coverage for its employees.
Enrollment credits	This is the premium amount you will be reimbursed for terminated membership for which you have already paid. Enrollment credits will be included on the monthly invoice following plan notification of the terminations.
Fallon Health & Life Assurance Company, Inc. (FHLAC)	A wholly owned subsidiary of Fallon Health. Fallon Preferred Care, Fallon Companion Care and Medicare Supplement products, and self-funded commercial plans are offered through FHLAC.
Invoice Cloud	Fallon's online payment option – invoicecloud.com/fallonhealth .
It Fits!	It Fits! is Fallon's fitness reimbursement program. Members of Fallon can receive up to \$400 in annual reimbursements for taking part in healthy activities.
Large group	An employer group with 51 or more eligible full-time employees or full-time equivalents, as defined by Massachusetts Division of Insurance Bulletin 2016-09.



Limited network	A limited network is one that provides access to fewer providers than are available in a plan's larger HMO network. Direct Care and Steward Community Care are limited networks.
Medicare-eligible	A Medicare-eligible is defined as an individual who is: <ul style="list-style-type: none"> • Age 65 or older • Under age 65 with certain disabilities • Any age with End-Stage Renal Disease (ESRD), which is permanent kidney failure requiring dialysis or a kidney transplant.
Member	Any individual covered by Fallon.
Member handbook	This is part of the legal contract between Fallon and its members which sets forth the member's covered services, coverage exclusions and limitations, and the conditions of coverage.
Member transaction form	This form is used for all enrollments, disenrollments and changes to subscriber and/or dependent coverage.
Open enrollment period	The time frame deemed by the employer group when employees must choose their health insurance coverage for the following year.
Premium	The amount of money paid by the employer group to Fallon/FHLAC on a monthly basis for coverage.
Provider network	A group of doctors contracted with Fallon to provide services to members. Provider networks will vary by product.
Self-funded	An arrangement whereby an employer group that chooses to take all of the claims risk for members is a self-funded group. Also see the definition for Administrative Services Only.
Service area	The designated geographic region in which a plan is available to members. Service area will vary by product.
Small group	An employer group with 50 or fewer eligible full-time employees or full-time equivalents, as defined by Massachusetts Division of Insurance Bulletin 2016-09.
Subscriber	The individual who meets the employee eligibility requirements as outlined in this Administrative Handbook.
Third Party Administrator (TPA)	An organization that processes health claims or certain aspects of employee benefit plans for an employer group.
Tiered network	In a tiered network, members may pay different levels of copayments, coinsurance and/or deductibles depending on the tier of the provider delivering a covered service or supply. Plans may make changes to a provider's benefit tier annually on January 1.

